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The ELEVENTH ANNUAL REPORT


TO THE *Shareholders*

**BIG
NAMA CREEK
MINES LIMITED**



FOR THE YEAR
ENDED DECEMBER 31

_____1964_____



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**AUTHORIZED
CAPITALIZATION**

\$5,000,000.00 divided into 5,000,000 shares of the par value of \$1.00 each.

DIRECTORS

M. J. BOYLEN, D.C.L., D.Sc. - - - - - Toronto, Ontario
ROBERT J. ISAACS, B.A.Sc., P.Eng. - - - - - Islington, Ontario
GORDON L. MOORE - - - - - Islington, Ontario
DAVID W. GORDON, F.C.I.S. - - - - - Toronto, Ontario
C. S. KENNEDY - - - - - Toronto, Ontario

OFFICERS

M. J. BOYLEN, D.C.L., D.Sc. - - - - - *President*
DAVID W. GORDON, F.C.I.S. - - - - - *Vice-President*
GORDON L. MOORE - - - - - *Secretary-Treasurer*
CHARLES B. BRANNIGAN - - - - - *Assistant Treasurer*

HEAD OFFICE

908-330 Bay Street - - - - - Toronto, Ontario

**TRANSFER AGENT
AND REGISTRAR**

GUARANTY TRUST COMPANY OF CANADA
366 Bay Street, Toronto, Ontario

AUDITORS

SNYDER, CRAIG & CO.
Chartered Accountants
330 Bay Street, Toronto, Ontario

Directors' Report

To the Shareholders:

The Eleventh Annual Report of the Company, including its Balance Sheet and related financial statements and notes relative thereto for the year ended December 31, 1964, and the report of the auditors, is presented for your consideration.

The proposed change of name, capital reorganization and offering of rights to the shareholders as presented at the Annual and General Meeting of Shareholders of the Company were confirmed, and Supplementary Letters Patent were issued under date of June 8, 1964. The authorized capital of the Company is \$5,000,000.00, made up of 5,000,000 shares with a par value of \$1.00 each, of which 1,289,252 shares are issued and outstanding as fully paid and, the name of the Company was changed to BIG NAMA CREEK MINES LIMITED.

MANITOUWADGE (ONTARIO) PROPERTY:

The Manitouwadge property of the Company comprising thirteen patented mining claims was leased to Willroy Mines Limited, by agreement dated July 2, 1963 for a term of 20 years, renewable for 2 additional terms of 10 years each. The agreement provides that Willroy Mines Limited, which company owns an adjoining property in its own right, will perform such exploration and development work as required to determine the occurrence of a mineable ore body, the period of exploration and development being limited to the time of such determination or to July 31, 1966, whichever occurs first.

Willroy Mines Limited, during 1964, diamond drilled 3,259 feet in 19 short holes on surface to increase the tonnage of the known Big Nama ore zone to 828,000 tons grading 0.79% in copper, 3.25% in zinc and 0.75 ounces of silver per ton. With this confirmation in hand Willroy Mines Limited then proceeded to drive underground on its own 1,600 foot level toward the Eastern boundary of the Big Nama property. This heading at year end was about 1,000 feet east of the boundary line. Any ore encountered from here on should extend onto the Big Nama ground and will undoubtedly be systematically tested as the drift advances to the west.

A total of 6,063 feet (16 holes) were also drilled on surface to test geophysical anomalies on the Big Nama property. A geochemical soil survey commenced during the summer in an attempt to screen the conductors caused by worthless sulphide bodies from those containing ore values will be continued in 1965. Any encouraging anomalies will be diamond drilled.

LITHIUM PROPERTY — BEARDMORE, ONTARIO

The Beardmore property, comprising 36 mining leases, was maintained in good standing during the year. As there appears to be no immediate improvement in the current demand for lithium ores

it has been decided to take advantage of the present brisk market in used mining equipment and to sell off at least part of the surface plant at the mine. Deterioration through lack of use has become increasingly apparent over the last year which also accounts for this decision.

YORK HARBOUR (NEWFOUNDLAND) PROPERTY

The York Harbour Property of the Company comprises 1 square mile in area and is held under a Fee Simple Mining Grant issued by the Department of Mines, Agriculture and Resources of the Province of Newfoundland.

No work was done at this property during 1964. A feasibility study, however, was carried out on the property late in the year which indicated that it would be advantageous for the Company to re-open the mine as early in 1965, as ground conditions permit. It was proposed that this be done by driving a long adit into the mountainside to undercut, by approximately 300 feet, the presently developed ore zone calculated to contain 218,000 tons of 2.63% copper and 8.25% zinc and which structure should continue to and beyond this depth. From this heading a large scale diamond drilling program could be carried out that is hoped to put enough ore in sight to warrant the construction of a concentrator on the property. As the portal of the proposed new adit would lie some distance outside the Big Nama property boundary, arrangements had to be made with the Newfoundland Government to obtain a Concession covering this area. This has now been done and it is understood that formal ratification concerning this matter will be given at the next sitting of the Newfoundland Legislature.

The estimated cost of the program aforementioned is \$325,000.00; and, arrangements have now been completed for the sale by firm commitment of 400,000 shares of the capital stock of the company to net its treasury the sum of \$160,000.00. Provided the option on an additional 600,000 shares of the Company is exercised and, on taking into account the securities held in the Company's investment portfolio having a market value as at this date in excess of \$114,000, a total of \$584,000 will be available for exploration and development work and other requirements of the Company.

Your Directors intend to concentrate their efforts in furthering the exploration and development of the York Harbour Property during 1965.

Respectfully submitted,

On behalf of the Board of Directors,

M. J. BOYLEN,
President.

Toronto, Ontario,
March 23, 1965.

BIG NAMA CR

(Incorporated)

Balance Sheet-

ASSETS

CURRENT:	\$	\$	\$
Cash		21,099.89	
Prepaid expenses		403.75	21,503.64
INVESTMENTS:			
Shares of other mining companies having a quoted market value, at cost (Quoted market value \$92,310.00)		75,718.64	
Other mining company shares, at cost		9,150.00	84,868.64
MISCELLANEOUS:			
5% Notes receivable from Beauce Placer Mining Co. Ltd. due December 17, 1966 and accrued interest (Note 1)		42,314.79	
Materials and supplies, at cost		18,424.31	60,739.10
FIXED:			
Valued at cost			
In the Province of Ontario, District of Thunder Bay, Port Arthur Mining Division:			
13 Patented mining claims in the Manitouwadge Lake Area (Note 2)		63,735.77	
36 Mining leases in the Beardmore Area	408,696.47		
Buildings	261,560.68		
Equipment	125,190.54	795,447.69	
In the Province of Newfoundland:			
1 Fee simple mining grant at York Harbour, District of Humber		281,872.06	1,141,055.52
DEFERRED EXPENDITURE:			
Mine development and administrative expenses			
Balance, January 1st, 1964		877,744.45	
Add: Expenses for the year		18,862.98	
Balance, December 31st, 1964			896,607.43
			<u>2,204,774.33</u>

Submitted with our Report t

MINES LIMITED

Laws of Ontario)

December 31st, 1964

LIABILITIES

CURRENT:

	\$	\$
Accrued liabilities		2,579.71

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized:

5,000,000 Shares of \$1.00 par value	5,000,000.00
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Issued:

1,289,252 Shares (Notes 1, 3, 4 and 5)	1,289,252.00
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Less: Discount thereon	647,972.45
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641,279.55

CONTRIBUTED SURPLUS:

Balance, January 1st, 1964	(266,008.58)
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Add: Reorganization expenses	4,812.60
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(270,821.18)

Deduct: Surplus arising on reorganization	1,831,736.25
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December 31st, 1964	1,560,915.07	2,202,194.62
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THE NOTES ATTACHED FORM AN INTEGRAL PART OF THESE
FINANCIAL STATEMENTS.

Approved on behalf of the Board:

M. J. BOYLEN, Director.

G. L. MOORE, Director.

2,204,774.33

reholders dated June 18th, 1965.

SNYDER, CRAIG & CO.,
Chartered Accountants.

SNYDER, CRAIG & CO.

CHARTERED ACCOUNTANTS

CABLE ADDRESS "JNOCRAIG"
TELEPHONE EMPIRE 6-9444

330 BAY STREET

TORONTO

CANADA

To the Shareholders of
BIG NAMA CREEK MINES LIMITED,
Toronto, Ontario.

We have examined the Balance Sheet of Big Nama Creek Mines Limited as at December 31st, 1964, the Statement of Mine Overhead and Administrative Expenses for the year ended on that date and the Notes to the Financial Statements. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

No physical count of materials and supplies has been made since 1962 but a full-time watchman is maintained on the company's mining property near Beardmore, Ontario. We have made no independent verification of this asset shown on the Balance Sheet at a cost of \$18,424.31.

Subject to the above limitation, in our opinion, the attached Balance Sheet, the Statement of Mine Overhead and Administrative Expenses and the Notes to the Financial Statements present fairly the financial position of the company as at December 31st, 1964 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Snyder Craig & Co.

Chartered Accountants.

June 18th, 1965.

BIG NAMA CREEK MINES LIMITED

Notes to Financial Statements

December 31st, 1964

1. Under an agreement with Mr. M. J. Boylen dated October 16th, 1964, Big Nama Creek Mines Limited agreed to participate in providing funds to Beauce Placer Mining Co. Ltd. for the purpose of assisting that company to commence regular operations. \$42,000 was advanced in 1964 and subsequent to the date of this Balance Sheet a further \$27,000 was advanced making a total of \$69,000. For these advances the company has received 5% notes and has an option to purchase 76,666 shares of the treasury stock of Beauce Placer Mining Co. Ltd. at 10 cents per share, exercisable within eighteen months from June 17th, 1965.
2. Under an agreement dated July 2nd, 1963, Big Nama Creek Mines Limited leased its 13 claims in the Manitouwadge Lake Area to Willroy Mines Limited for a term of 20 years and renewable for two additional terms of 10 years each. The agreement provides that Willroy Mines Limited will perform such exploration and development work as is required to determine the occurrence of a mineable ore body, the period of exploration and development being limited to the time of such determination or to July 31st, 1966, whichever occurs first. In the event that Willroy Mines Limited elects to commence mining operations after the termination of the exploration and development period, the agreement provides that Big Nama Creek Mines Limited will receive 50% of the net profits after the recovery by Willroy Mines Limited of certain of its costs of exploration and development.
3. On June 8th, 1964, Supplementary Letters Patent were issued changing the name of the company to Big Nama Creek Mines Limited, decreasing the authorized capital from \$5,000,000 to \$1,362,500 by the pro-rata cancellation of 3,637,500 of the issued shares with a par value of \$1.00 each, and increasing the authorized capital to \$5,000,000 by the creation of 3,637,500 new shares with a par value of \$1.00 each.
4. On June 26th, 1964, after reorganization, shareholders of the company were offered the right to subscribe for one additional share of the company at 40 cents per share for every share then held. As a result of this offering, 76,752 shares were subscribed for and \$30,700.80 received therefor.
5. On March 26th, 1965, Houston & Co., on behalf of a client, agreed to purchase 200,000 shares of the company's capital stock at 40 cents per share payable within three days of the acceptance for filing by the Toronto Stock Exchange of a Filing Statement relative to the underwriting and option. The date of such notice of acceptance was April 26th, 1965. In consideration for the aforementioned purchase, Houston & Co. was granted an option to purchase an additional 800,000 shares of the company's capital stock at prices ranging from 40 cents to 60 cents per share to be taken up and paid for over a period of one year from April 26th, 1965.

STATEMENT OF MINE OVERHEAD AND ADMINISTRATIVE EXPENSES

For the year ended December 31st, 1964

MINE OVERHEAD EXPENSES:	\$	\$
Fire protection	2,875.00	
General expense	161.85	
Insurance	1,490.09	
Mining licenses and fees	376.83	4,903.77
ADMINISTRATIVE EXPENSES:		
Audit fees	500.00	
Corporation taxes	65.18	
Filing fees	230.00	
General expenses	15.56	
Head office administration	3,000.00	
Listing and sustaining fees	1,850.00	
Office stationery and supplies	2,881.97	
Postage	619.10	
Reports to shareholders	707.70	
Telephone and telegraph	46.62	
Transfer agent and registrar fees	4,939.87	
Travelling expenses	18.00	
	14,874.00	
Less: Interest earned	914.79	13,959.21
TOTAL MINE OVERHEAD AND ADMINISTRATIVE EXPENSES		18,862.98

